

SENATE BILL 1740

By Ketron

AN ACT to amend Tennessee Code Annotated, Title 67,
Chapter 3, relative to biodiesel.

WHEREAS, our national and state leaders including the governor of Tennessee, the United States congress, and the president, have all stated that it is in the nation's best interest to decrease our dependency on foreign oil, increase our use of alternative and renewable fuels, and support the emerging industries which will help us achieve those goals; and

WHEREAS, the Tennessee general assembly finds that the use of biodiesel and other alternative, renewable fuels assists in protecting our natural resources, benefits the economy, and improves the health of Tennessee citizens; and

WHEREAS, the Tennessee general assembly finds further that the use of alternative, renewable fuels like biodiesel, which is made from domestic crops, will boost our own rural agricultural economy; and

WHEREAS, the Tennessee general assembly finds further that the use of alternative renewable fuels like biodiesel, assists with reducing our air pollution and improves our state's air quality; now, therefore,

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-3-103, is amended by inserting the following language as a new, appropriately numbered subdivision:

() "Biodiesel" means mono-alkyl esters of long chain fatty acids derived from vegetable oils or animal fats that meet the registration requirements for fuels and fuel additives established by the environmental protection agency under the Clean Air Act and which conform to ASTM D6751 specifications for use in diesel engines. Biodiesel is a clean burning, biodegradable, nontoxic, alternative fuel, produced from domestic, renewable resources, especially agricultural products. Pure biodiesel contains no

petroleum, but it can be blended at any level with petroleum diesel to create a biodiesel blend (B%) which can be used in compression-ignition (diesel) engines;

SECTION 2. Tennessee Code Annotated, Section 67-3-202, is amended by adding the following language as a new, appropriately designated subsection:

(d) With respect to the purchase and sale of biodiesel, as defined in § 67-3-103, and produced in the state of Tennessee, such biodiesel shall not be subject to the diesel tax imposed under this section. However, when such biodiesel is blended with petroleum, only the biodiesel portion shall be exempt from such tax.

SECTION 3. This act shall take effect June 1, 2007, the public welfare requiring it, and is hereby repealed effective July 1, 2013.